

VZCZCXRO5296
PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHNP RUEHROV RUEHSR
DE RUEHPG #0134/01 0691502
ZNY CCCCC ZZH
P 101502Z MAR 09
FM AMEMBASSY PRAGUE
TO RUEHC/SECSTATE WASHDC PRIORITY 1196
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 PRAGUE 000134

SIPDIS

STATE FOR T, EUR/FO, EUR/CE

E.O. 12958: DECL: 02/22/2019

TAGS: [PREL](#) [PGOV](#) [EZ](#)

SUBJECT: CZECH SOCIAL DEMOCRATS SEEK TO MAINTAIN MOMENTUM

REF: A. 08 PRAGUE 666

[1](#)B. 08 PRAGUE 681

Classified By: POLEC COUNSELOR CHARLES O. BLAHA FOR REASONS 1.4 (B) AND (D).

[1](#)1. (C) SUMMARY: In less than two weeks, the Czech Social Democrats (CSSD) will hold their national party congress, which comes at a time when the party has much to celebrate, but also faces several challenges. Following their sweeping victories in the October 2008 regional and senate elections, the party is looking to the June 5-6 European Parliament (EP) elections for another strong showing in order to solidify its position as the party to beat in advance of the 2010 parliamentary elections. CSSD chairman Jiri Paroubek has strengthened his hold over the party and has instituted a number of changes to modernize the party's political campaigns. At the same time, Paroubek is keeping the Topolanek coalition government under pressure, though he has moderated his attacks since the start of the Czech EU Presidency. The coalition government's ongoing internal problems and the economic crisis will likely play in CSSD's favor, but other factors, including CSSD's cooperation with the Communists in regional governments, will make the party vulnerable. CSSD is currently slipping in the polls, while PM Topolanek's numbers have risen. CSSD may therefore find it difficult to repeat its October triumph in the June EP elections. However, even a moderate success in the EP elections will give CSSD a boost, as it prepares to compete for the real prize in the next parliamentary elections. END SUMMARY.

THE REBIRTH OF A CHAIRMAN

[1](#)2. (C) The upcoming CSSD national congress, which will be held in Prague on March 20-22, is styled as an extravagant celebration of the party's recent successes and an opportunity to energize the troops before the June 5-6 elections to the European Parliament. This will also be a moment of personal celebration for Jiri Paroubek, who is running unopposed for reelection as CSSD's chairman and who only a year ago was watching his political career spiraling downward.

[1](#)3. (C) Paroubek and his take-no-prisoners operating style have been widely blamed for the four CSSD MP renegades, who in the past two years left the party and threw their support behind the Topolanek coalition. CSSD's defeat in the February 2008 presidential elections further undermined Paroubek's hold over his party. Then, in summer 2008, the group "Friends of Zeman" (former Prime Minister and CSSD chairman Milos Zeman) emerged as an anti-Paroubek power center within CSSD. Paroubek also continued to be plagued by various scandals, which took a toll on his position within CSSD. The most egregious scandal occurred immediately before the October 2008 regional and senate elections, when one shady businessman killed another at a Paroubek book signing.

Both the killer and the victim had ties not just to Paroubek, but also to the criminal underworld. For a few days after the killing, it appeared as if Paroubek would have to cut his political career short and resign.

14. (C) However, the October 2008 regional and senate elections (ref A and B) not only dealt significant blows to the Topolanek government and the PM himself, but they also gave CSSD chairman Jiri Paroubek a new lease on his political life. Paroubek quickly claimed the sweeping victories as a validation of his leadership. The victories indeed swept aside any doubts CSSD's membership may have had regarding their chairman. The embryonic "Friends of Zeman," which seemed to be readying itself to unseat Paroubek in case of an electoral defeat in October, quietly melted away. Similarly, potential Paroubek challengers in the CSSD chairman contest, including deputy chairmen Zdenek Skromach and Bohuslav Sobotka, fell back in line. As a result, Paroubek will be easily reelected at the upcoming CSSD congress, which will probably also put in place a CSSD leadership team of Paroubek's liking.

PAROUBEK'S POLLING AND HIS PERMANENT CAMPAIGN

15. (C) Paroubek also took the October elections as a validation of his campaign strategy and tactics. He told us in December 2008 that he completely revamped CSSD's approach to last fall's regional and senate campaigns. He relied heavily on advice of the American consulting firm Penn, Shoen, and Berland Associates (PSB), the company which CSSD

PRAGUE 00000134 002 OF 003

engaged already during the 2006 parliamentary election campaign. With PSB's help, CSSD's leaders narrowed down their party's policy platform to a handful of key issues, relying on frequent and extensive voter polling to guide their decisions. Indeed, CSSD and especially Paroubek have been mocked by Czech media and political commentators for being guided solely by public opinion, without exhibiting any leadership on important and tough issues like missile defense or foreign deployments. For Paroubek, however, the October election results represented a clear validation of his "people-meter" approach.

16. (C) Following the 2006 parliamentary elections, Paroubek also adopted a political approach vis-a-vis the Topolanek government that can only be described as one of zero tolerance and zero cooperation. Paroubek has called this approach a "permanent campaign." He has generally refused to support the government on all major issues. This approach has become especially pronounced and problematic with regard to foreign and security policy, the two areas where past governments and oppositions had worked well together. Decisions on everything from foreign deployments to missile defense (MD) have been poisoned by the country's domestic politics, at times to the detriment of the Czech Republic's international standing and national interest.

17. (C) While the "permanent campaign" has kept the Topolanek government under pressure, it has not necessarily earned CSSD any points with the public. A recent poll commissioned by CSSD found that a majority of voters wished that the opposition would cooperate more with the government, especially during the Czech EU Presidency. A well-placed CSSD parliamentarian from Prague recently told us that CSSD members have been voicing similar sentiments to their chairman and they have been counseling him against further frontal assaults on Topolanek. CSSD leaders do not wish to appear as saboteurs of the EU Presidency. In recent weeks, Paroubek seems to have toned down his attacks. He and other CSSD leaders have even acknowledged publicly that some of their hard-line steps in recent past were a mistake. For example, during a crucial February vote on health care payments, CSSD refused to pair out a coalition MP who has

been lying in a hospital in a coma for several weeks. When the Communists (KSCM) agreed to help the coalition by pairing out the said MP, CSSD harshly criticized them. In retrospect, however, CSSD acknowledged that this was a mistake which respondents to a recent poll condemned as inhumane.

EP ELECTIONS AND CHALLENGES AHEAD

¶8. (C) As Paroubek prepares his party for the EP elections, he will therefore have to strike a careful balance. He will have to keep sufficient pressure on the Topolanek government, while at the same time appearing more constructive and supportive of the overall EU Presidency goals. For a man of Paroubek's "bulldozer" qualities, that will be a hard task. Already, Paroubek has watched some of his party's lead in the polls shrink from 15 to 10 percent, as PM Topolanek has gained in popularity thanks to his current high profile EU presidency role. Topolanek's participation in the April G-20 and NATO summits, as well as welcoming President Obama and presiding over the U.S.-EU summit in Prague, will likely boost his standing even further. The extravagant March 20-22 CSSD congress, which includes a gala evening and a musical and which was also contemplating the participation of former President Bill Clinton, is in part Paroubek's effort to steal the limelight from Topolanek for at least few days.

¶9. (C) While trying to remain visible, Paroubek will simultaneously have to lower the party's profile when it comes to the various scandals that continue to dog CSSD. Just in the last month, media have reported that past CSSD ministers funneled millions of Czech crowns in state subsidies into a hotel that doubled as a brothel. A number of high profile CSSD officials had visited the "hotel." More recently, the editor in chief of the left-of-center daily "Pravo" accused Paroubek and his political fixer Jaroslav Tvrdik (former Minister of Defense) of attempting to pressure the newspaper into writing more positively about CSSD and its chairman. With these stories making the headlines, deputy CSSD chairman Zdenek Skromach very aptly summed up today's CSSD: "Our enemies will never destroy us; we are capable of doing it ourselves."

¶10. (C) Paroubek's task ahead of the EP elections will also be complicated by the relatively weak slate of candidates his party is putting forward. According to Jan Hamacek, Chairman of the Foreign Affairs Committee in the Lower Chamber, no one

PRAGUE 00000134 003.3 OF 003

in CSSD is happy with the candidate slate, but it was the result of a compromise between the party's central organization and the regions ahead of the CSSD congress. With a lackluster list of EP candidates, CSSD has little choice but to resort to the strategy from last fall: make the EP election into a referendum on the Topolanek government and focus on one or two key issues of particular concern to the voters. Undoubtedly, the worsening economic situation in the Czech Republic and the rest of the world will be one of those focus issues. Health care co-payments, the cause celebre of the October 2008 regional and senate elections, have lost some of their appeal, but CSSD will probably not drop the issue completely.

¶11. (C) Further complicating CSSD's EP campaign will be a more active -- and more negative -- campaign by PM Topolanek's Civic Democrats (ODS). Before the October 2008 elections, ODS relied on the regions and the candidates to develop and run their individual campaigns. These disjointed efforts were woefully inadequate in the face of the highly organized and centralized CSSD electoral machine. ODS has learned from this mistake and has, for example, already launched a web site focused on CSSD's various scandals and controversial missteps, such as that of David Rath, the governor of Central Bohemia, who recently praised Adolf

Hitler's economic crisis response. ODS will also seek to condemn CSSD's unprecedented collaboration with the Communists in regional governments. With regard to the Communists, Paroubek is already counteracting ODS attacks. In February, Paroubek sharpened his rhetoric vis-a-vis the KSCM, stating that any ideological rapprochement between CSSD and KSCM would be a "political suicide." For some Czechs, however, words will not be enough to put sufficient distance between the two parties.

COMMENT

¶12. (C) With a 10-percent lead in the polls, CSSD is undoubtedly an early favorite to win the next parliamentary elections, which should be held no later than June 2010. Persistent tensions within the governing coalition and internal problems in each of the three coalition parties continue to weigh on the Topolanek government and thus play into CSSD's hands. Similarly, the Czech Republic's worsening economic outlook has provided CSSD with a useful political hammer with which the party can score points against the government. While Paroubek certainly has his sights set on the next parliamentary elections, he must first demonstrate that the October 2008 electoral victories were not just a fluke. His first opportunity to do so will be in the June EP elections. If CSSD manages to repeat its October victory, it will solidify its lead over ODS and put further pressure on Topolanek and his government. Given the challenges above, however, the EP election results will probably be less sweeping. Nevertheless, even with more moderate results, Paroubek will remain the man to beat in the next parliamentary elections.
Thompson-Jones